

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE)	
APPLICATION OF THE FUEL)	
ADJUSTMENT CLAUSE OF FARMERS	)	CASE NO.
RURAL ELECTRIC COOPERATIVE	)	2010-00500
CORPORATION FROM NOVEMBER 1,)	
2008 THROUGH OCTOBER 31, 2010)	

O R D E R

Pursuant to 807 KAR 5:056, the Commission, on January 26, 2011, established this case to review and evaluate the application of the Fuel Adjustment Clause ("FAC") of Farmers Rural Electric Cooperative Corporation ("Farmers") for the two-year period from November 1, 2008 through October 31, 2010.

As part of this review, the Commission ordered Farmers to submit certain information and an affidavit attesting to its adherence to 807 KAR 5:056. The Commission further ordered that a public hearing be held in this case but cancelled it when, after publication of notice, no interested person advised the Commission of his or her intent to attend.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. During the period under review, Farmers has complied in all material respects with the provisions of 807 KAR 5:056.

2. East Kentucky Power Cooperative, Inc. ("East Kentucky"), the wholesale supplier of Farmers, has been authorized to transfer (roll-in) to its base energy rates a

negative 6.39 mills per kWh of fuel costs that were being credited to customers through its FAC.¹

3. Farmers should be authorized to transfer (roll-in) to its base energy rates a negative 6.71 mills per kWh to reflect, as adjusted for line loss, the transfer (roll-in) by East Kentucky of a negative 6.39 mills per kWh of fuel costs to East Kentucky's base energy rates that were being credited to customers through its FAC.

4. The rates and charges in the Appendix to this Order are fair, just, and reasonable, and reflect the reduction of fuel costs included in its base energy rates.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Farmers through the FAC for the period from November 1, 2008 through October 31, 2010 are approved.

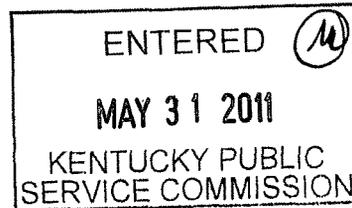
2. Farmers shall deduct 6.71 mills per kWh from its base energy rates (as adjusted for line loss) to reflect the transfer (roll-in) of a negative 6.39 mills per kWh of fuel costs by East Kentucky to its base energy rates as approved in Case No. 2010-00491.

3. The rates in the Appendix to this Order are approved for service rendered by Farmers on and after June 1, 2011, the effective date of East Kentucky's change in rates.

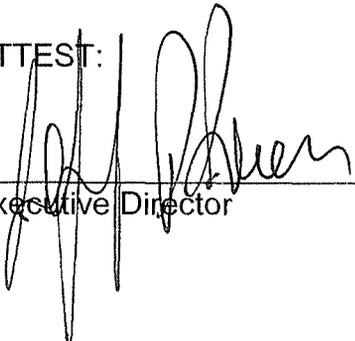
¹ Case No. 2010-00491, An Examination of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 2008 through October 31, 2010 (Ky. PSC May 31, 2011).

4. Within 20 days of the date of this Order, Farmers shall file revised tariff sheets with the Commission setting out the rates approved herein and reflecting that they were approved by this Order.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00500 DATED **MAY 3 1 2011**

The following rates and charges are prescribed for the customers in the area served by Farmers Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

CLASS 1
RESIDENTIAL

Schedule R:		
All kWh (per kWh)	\$	.08895
Schedule RM (ETS):		
All kWh (per kWh)	\$	.05337

CLASS 4
SMALL COMMERCIAL AND INDUSTRIAL (BELOW 50 KW)

Schedule C-Section 1:		
All kWh (per kWh)	\$	.08424
Schedule CM (ETS):		
All kWh (per kWh)	\$	.05054

CLASS 5
LARGE COMMERCIAL AND INDUSTRIAL (50 KW & ABOVE)

Schedule C-Section 2:		
All kWh (per kWh)	\$	.06513
Schedule D (TOD):		
All kWh (per kWh)	\$	.06513
Schedule E:		
All kWh (per kWh)	\$	.05163

CLASS 6
STREET LIGHTING

Schedule SL:		
All kWh (per kWh)	\$	.05574

ALL CLASSES
OUTDOOR LIGHTING

Schedule OL:
Rate per Month:

Mercury Vapor	175 Watt		\$	9.18
Mercury Vapor	175 Watt	shared	\$	3.27
Mercury Vapor	250 Watt		\$	10.53
Mercury Vapor	400 Watt		\$	16.01
Mercury Vapor	1,000 Watt		\$	28.44
Sodium Vapor	100 Watt		\$	9.47
Sodium Vapor	150 Watt		\$	11.06
Sodium Vapor	250 Watt		\$	15.06
Sodium Vapor	400 Watt		\$	19.44
Sodium Vapor	1,000 Watt		\$	42.17

Bill Prather
President & CEO
Farmers R.E.C.C.
504 South Broadway
P. O. Box 1298
Glasgow, KY 42141-1298